

PRESS RELEASE

Effective in Preventing Land Fires, Fire-Free Villages Received a Total Reward of 500 Million Rupiah

Jambi, 3 July 2018 – Fire prevention efforts as part of our Fire-Free Village Program (FFVP) have proven effective as they significantly decreased the volume of fire in the past year. Five of the seven villages in Jambi that were involved in <u>Asian Agri's Fire-Free Village Program</u> received a reward of IDR 100,000,000 each for successfully protecting their villages from fires.

The program engaged local communities to prevent fires in their surroundings last year, contributing to the overall reduction of hotspots in Indonesia from June 2017 to June 2018.

Back in June 2017, it was reported that a total 346 hectares of land located in Tuo Sumay Village, Teriti Village, Suo Suo Village and Semambu Village were affected by fire.

"We have monitored the progress of the FFVP which showed that from July 2017 to June 2018 the burnt areas dropped to 11 hectares. The fires occurred in Semambu Village and Lubuk Bernai Village due to land clearing activities," said Zulbahri, Sustainability Operations Manager at Asian Agri.

"The contribution of the villagers who are members of our Fire Aware Community, cooperation of all stakeholders especially the government, as well as the efforts of the fire safety team are all keys to the success of this program," Zulbahri continued.

Asian Agri today handed a total of IDR 500 million to the five participating villages who successfully prevented fire on their land.



"The given reward is a form of appreciation to motivate the villages. Each village can use the reward for the procurement and improvement of fire prevention facilities in the village," said Zulbahri.

On the same occasion, Asian Agri signed MoUs with the villages to continue the Fire-Free Village Program partnership in 2018/2019. This marks the continuation of collaboration with seven villages in Jambi.

Asian Agri's Fire-Free Village Program was initiated in 2016, when it first partnered with seven villages in Riau and two in Jambi. The positive results in that first period in reducing hotspots strengthened the commitment of the company, resulting in its current partnership with 16 villages in total: nine in Riau and seven in Jambi.



"The Fire-Free Village Program will continuously strengthen efforts to prevent fires in Indonesia, especially in Sumatra. Asian Agri is also committed to the success of the 18th Asian Games which Indonesia will host in August, and in helping to keep the games smoke-free," said Zulbahri.

About Asian Agri:

Asian Agri is one of Indonesia's largest palm oil producers since 1979. Today, the company manages 100,000 hectares of land and employs over 25,000 people. A pioneer of the Indonesian government's Trans-National Government Migration (PIR-Trans) program, Asian Agri works with 30,000 plasma smallholders in Riau and Jambi who operate 60,000 hectares of palm oil plantations, as well as independent smallholders, bringing about positive impact on their quality of life and economic development.

Implementing a strict "no burn" policy and best practices in sustainable plantation management, Asian Agri has helped its smallholder partners improve productivity, yield and supply chain traceability, while assisting them obtain certifications. The company's mills are technologically advanced and energy self-sufficient, minimizing greenhouse gas emissions.

Asian Agri is a member of the Roundtable on Sustainable Palm Oil (RSPO). More than 86% of both owned plantations in North Sumatra, Riau & Jambi provinces and 100% of scheme smallholder plantations in Riau & Jambi provinces have been RSPO certified. All plantations, including those owned by smallholders, have been certified by ISCC (International Sustainability & Carbon Certification). More than 91% of plantations and mills owned by Asian Agri have been ISPO (Indonesian Sustainable Palm Oil) certified.

The company's operations are ISO 14001 certified, while its Learning Institute and nursery research center in Riau province, Indonesia are both ISO 9001 certified. Asian Agri's R&D Center in North Sumatra was also given a certification by the International Plant-Analytical Exchange at the WEPAL lab at Wageningen University in The Netherlands, for its high standards.

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